Secretary Albright

U.S. Policy and Reform Agenda On the United Nations

September 19, 1997

Remarks to the press, Washington, DC.

Good afternoon, everybody. On Sunday I will be leaving for New York to join President Clinton for the start of the 52nd UN General Assembly. So I thought it would be a good time to address the what and why of our policy on UN reform and to preview what our agenda will be in New York in the next two weeks.

Let me focus first on the issue of UN reform and U.S. arrears. And, no, this is not about Ted Turner or the extraordinarily generous gift that he announced last night. I think that it not only reflects Ted Turner's brilliant approach to how to solve problems but also the reflection of how the American people feel about the value of the United Nations.

It in no way, however, diminishes the President's determination to work with Congress to meet our obligations and to ensure that the UN meets its obligations to us. I spoke to Ted Turner this morning, and it was great fun. He is very excited about what he has done, and we obviously are very excited also.

As you know, for some time we have been trying to solve a problem that harms both our interests in the UN and our ability to prepare the organization to meet the challenges of the next century. We find ourselves roughly $1 billion behind in our payments to the UN and its specialized agencies. This shortfall undermines our ability to get diplomatic support for reform proposals that many nations accept are necessary, but that will require a change in the culture of the UN.

More fundamentally, the shortfall undermines a basic goal of U.S. foreign policy—to convince others to play by the rules of the international system. So for the last three years, we have been seeking a formula that would get us right with the UN by paying our debts and get the UN right with us by becoming more efficient and more effective.

We have made progress toward both goals, and as a result, we now face decisions in both Washington and New York that will determine the future of America's relationship with the UN—and, by extension, the future of the UN itself.

In Washington, thanks in great part to the work of Senators Helms and Biden, the Senate has approved legislation that would authorize payment of most of our dues and debts to the UN as the UN adopts financial and management reforms—an approach that also owes a great deal to the work of Congressmen Gilman and Hamilton. The legislation is not yet final, and its fate is tied to some troublesome unrelated issues, but the President hopes to have a bill he can sign soon.

What is most significant about this legislation is that it recognizes America's abiding interest in a strong, effective United Nations. Given a choice between giving up on the UN and making our investment work, between retreat and reform, Congress is choosing the responsible course. It is choosing to keep America engaged. This is not an act of faith but an expression of American pragmatism. It is a vote to keep UN inspectors in North Korea and Iraq so we can prevent those nations from building weapons of mass destruction. It is a vote to keep UN war crimes prosecutors on the job so we can deter genocide and hold killers accountable. It is a vote to keep UN peacekeepers in some of the most strife-torn places on the planet where we need them to be, where no nation would wish to go alone. It is a vote in favor of programs that immunize children and prevent the spread of disease.

Above all, it is a realistic acknowledgment that the United States has a stake in what the UN does and a stake in working with others to make it do what it does better with greater efficiency and at less cost. That is why we are also heartened that in New York, Secretary General Annan has proposed a comprehensive package of reforms that go a long way toward meeting our concerns. And let me say that I have spent enough time in New York to know just how hard this has been. The Secretary General has a very tough job. He has limited powers and 184 bosses to please, and the progress he has made is a mark of true conviction. Correct that: 185 bosses to please.

Finally, the grand bargain we have long sought on UN reform and U.S. arrears is in sight, but it is not yet in hand. We will grasp it when everyone concerned acknowledges a basic and undeniable fact—the United States needs the United Nations, and the United Nations needs the United States. This is our challenge.

On the one hand, the UN's staunchest defenders are preoccupied with the problem of American arrears; on the other, the UN's staunchest critics are preoccupied with the problem of mismanagement and waste. What is needed from both sides is a focus on solutions—an honest effort to change the subject from who's to blame to how do we fix it.

What we need from all sides is a healthy sense of realism. In Washington, we must acknowledge just how far the UN has already traveled along the path to reform. We have a no-growth budget; an inspector general with a solid initial track record; cutbacks in staff, paperwork, and overhead; the consolidation of departments; and a code of conduct for employees. All this adds up to more reform in the last 2 years than in the previous 50.

We must also recognize that the Secretary General cannot transform the UN alone. His most fundamental proposals, as well as ours, require the support of member governments. That is why we must show we understand that the United States is not the only member of the UN. We need to work with our partners and respect their views. We need to acknowledge that many of them have made immense contributions to peacekeeping and humanitarian relief, over and above their legal obligations, just as we have. We need to demonstrate that our crusade for reform is not just an effort to save money but an effort to focus the UN's limited resources on the priorities we share.

Our partners at the UN must also be pragmatic. They must acknowledge that the UN cannot flourish if it does not enjoy the full confidence of the American people and their elected representatives. They must recognize—and I believe most do—that the concerns we have expressed about the UN are reasonable and that our reform agenda is in the best interest of the organization. They must understand that if the UN waits for a better proposal with more money from the United States Congress, it is likely to get a proposal with more requirements and less money.

I understand the reluctance of many nations, as a matter of principle, to accept the linkage between our dues payment and UN reform. But I fear that if our partners stand on that principle, realistically the UN could end up with neither the cash it needs nor the reform members want. That would be a lose-lose proposition. We have a win-win alternative that deserves support.

Over the next few days, I will be speaking with our key partners in New York about our reform agenda. At its heart is a proposal to cap the U.S. contribution for peacekeeping at 25% and for the UN regular budget at 20%. This would reduce the UN's financial dependence on the U.S. It reflects the great economic strides that have been made by many nations around the world—nations that can afford to pick up a larger share of responsibility and should do so.

I will also reaffirm our support for Security Council expansion. We believe the Council should grow to 20 or 21 members, including permanent seats for Germany and Japan and three additional permanent seats for developing nations representing Africa, Asia, and Latin America.

Of course, my focus at the UN will not be only or even primarily on the UN itself. The General Assembly is the most comprehensive annual gathering of nations and leaders we have. I plan to roll up my sleeves and approach it the way President Clinton works a crowd—I won't leave until I've shaken every hand and bent every ear.

- I will be meeting with my counterparts from our key European and Asian allies. I will be speaking with Foreign Minister Qian Qichen of China to continue planning the coming Sino-American Summit.
- I will be chairing a special UN Security Council session on Africa.
- I will attend the first meeting of the NATO-Russia Permanent Joint Council, as well as a Bosnia Contact Group ministerial.
- I will speak with our key ASEAN partners about Cambodia and conduct discussions to follow up on my Middle East trip.

You may say there will be nothing earth-shattering, but that is the whole point of foreign policy—to keep the earth from shattering. This will simply be two weeks of doing America's business—what I call bread and butter diplomacy—and another reminder of the useful role the UN plays as a meeting house of the world. I hope to see you all there. ■

Secretary Albright

International Economic Leadership: Keeping America on the Right Track for the 21st Century

September 18, 1997

Address before the Institute for International Economics, Washington, DC.

Thank you very much, Pete. Before I begin, I do have a very brief statement to make about a tragedy that occurred early today in Cairo.

Terrorists launched a grenade attack against a tourist bus in the downtown of the Egyptian capital, reportedly killing nine and injuring dozens more. On behalf of the United States Government, I condemn this cowardly act of terrorism in the strongest possible terms. I offer our prayers and our condolences to the families of those who were killed or injured in this barbarous attack and to the Governments of Egypt and Germany.

We must never give in to terror. The United States supports President Mubarak in his efforts to prevent terrorism in Egypt and to oppose it everywhere around the world. I do, in fact, have a speech today on fast track and the global economy. And I, in fact, can begin a speech with some pleasantries. But before I do that, I would like to take as my text *The Wall Street Journal* this morning. It says, headline,

> In Backyard of the US, Europe Gains Ground in Trade Diplomacy, South America is Hot Market for EU-Made Goods.

Then it says,

> While Uncle Sam sleeps, Europe is mounting a silent invasion. Combining savvy deal-making with velvet diplomacy, the European Union is angling to convert its thriving trade ties with South America into a full geopolitical partnership. There is no guarantee that this trans-Atlantic bid for influence will succeed. But Europe is emerging as a potential spoiler in President Clinton's latest push to revive a long-stalled plan to create a common market extending the length of the Western Hemisphere.
>
> Whether Mercosur tilts toward Europe or the US may be decided by the hot debate over President Clinton's request for 'fast track' authority to negotiate trade pacts. If Congress rejects his plan, South America could be indefinitely ceded to the Europeans. 'No fast track—no concrete negotiations,' says Jose Batafogo Goncalves, the Brazilian Foreign Ministry's subsecretary general of commerce.

That was not written by my speechwriter. So it's a good way to begin today.

I would like to thank you both, Dick and Pete, for your kind words and for all you have done over the years to build American prosperity and extend American influence. I thank both the American Business Conference and the Institute for International Economics for participating in and arranging this event. And I am grateful that so many of you could be here. It's wonderful to see many friends in the audience.

This morning, I would like to discuss with you a goal that is at the heart of America's international economic and foreign policy. That goal is to take advantage of the empowering evolution in technology and trade to bring the world closer together around basic principles of democracy, open markets, law, and a commitment to peace. By so doing, we can ensure that our economy will continue to grow, our workers will have access to better jobs, and our leadership will be felt wherever U.S. interests are at stake.

We will also fuel an expanding global economy that is creating new opportunities for people on every continent. And we will give more countries a stake in the international system, thereby denying nourishment to the forces of extremist violence that feed on deprivation across our planet.

We begin with the understanding that in an increasingly integrated global economy, the quest for prosperity is the opposite of a zero-sum game. "Beggar thy neighbor" doesn't work; "prosper with thy neighbor" does.

Second, the driving force behind economic growth is openness—open markets, open investment, open communications, and open trade. This is fundamental. Protectionism is an economic poison pill. We cannot expect to gain access to new markets elsewhere if we put a padlock on our own.

Third, when we make progress on the international economic front, we make progress on all fronts. A world that is busy growing will be less prone to conflict and more likely to cooperate. Nations that have embraced economic reform are more likely to move ahead with political reform. And as history informs us, prosperity is a parent to peace.

Finally, if we are to lead effectively abroad, we must maintain a consensus here at home for that leadership. Our political leaders must approach the issue of trade on a nonpartisan basis. Our policymakers must make the case for international engagement persuasively, repeatedly, and in language a non-economist, such as myself, can understand. And our business community can help by emphasizing to its employees and to the public the benefits that accrue from an open global economy.

In this connection, I happened to notice a recent article in *The Wall Street Journal*—I do read it every day—about a businessman in the Midwest who started trading internationally only to find that his workers had begun to worry about their jobs. So he decided to raise a flag outside his company every time a sale to a new country was made. Soon, he was flying the banners of more than a dozen nations—each flag representing an additional market for the firm's goods and additional income for its employees.

The bottom line is that it will require a team effort to sustain a consensus for American leadership in the economy of the future. The President and I and the Administration's entire economic team are prepared to do our part. And we count on you to do yours.

The message inherent in those flags and the message that we must all do our best to get across is that movement toward a more integrated global economy is not a choice or an option; it is a fact of life. Integration is fueled by technology which is driven by knowledge which has no reverse gear.

This means that, more and more, what happens anywhere will matter everywhere. Whether the anywhere is the financial markets of Southeast Asia, the croplands of Latin America, or the factory floors of Europe, developments there will be felt here, by U.S. workers, farmers, investors, and businesspeople. Because we are a global power with interests and connections on every continent, we have a vital stake in creating and sustaining the conditions for global prosperity.

It is true that the accelerated tempo of change that results from globalization has its downsides. Some industries expand, but others contract, as we move toward higher and higher value-added industries. Our consumers benefit, and our overall economy grows. But it is no consolation to a worker displaced by foreign competition to know that he or she is part of a global phenomenon.

Still, the best course for our nation is not to curse globalization, but to shape it—to make it work for America. It would be foolish to get up from the table and leave the game to others, for we are competing very, very well.

With leadership from the White House and bipartisan support on Capitol Hill, we have put our fiscal house in order. More U.S. jobs were created during the first Clinton Administration than in any other administration in history. And because of the genius and enterprise of our people, we have the most competitive economy and most productive work force in the world. To maintain our edge, we must continue sound fiscal policies that drive deficits down and keep interest rates low.

And we must invest in our people by striving for excellence in the classroom and by ensuring that our workers enter the 21st century with 21st century skills. On the global chessboard, we want more and more of our citizens equipped to be bishops or knights, rather than pawns. That is why we're lifting educational standards nationwide and investing in training as never before.

Finally, we must use our diplomatic tools to sustain momentum toward an increasingly open and fair system of global investment and trade.

Consider that trade accounts for twice as much of our economic activity as it did a quarter-century ago, and has fueled the remarkable period of sustained economic growth we have enjoyed these past 5 years. Today, 11-12 million American jobs are supported by exports and this number is rising rapidly. These are good jobs, paying on the average 13% more than others.

Since President Clinton took office, we have negotiated more than 200 trade agreements, including NAFTA and the Uruguay Round. We have forged historic commitments to achieve free trade and investment across the Asia-Pacific through APEC and across the Americas through the Miami Summit process. We are working to expand our economic ties

with the European Union through the Transatlantic Business Dialogue and in Africa through our proposed Partnership for Economic Growth and Opportunity.

We have also been doing everything we possibly can to ensure that agreements made are agreements kept. Like Secretary Christopher, I have made it clear to our diplomats that one of their principal jobs is to see that the rights of American companies are respected and their opportunities enhanced. Whenever I travel abroad, I make it a point to meet with the American Chamber of Commerce where I am, in order to talk about our common interests. To that end also, our trade negotiators are making full use of every available enforcement tool, including a strengthened WTO.

We do not intend to stop here. We are determined, as President Clinton has said, to keep growing our economy. That is why we have asked Congress to renew the Executive's traditional fast-track negotiating authority this fall.

The President needs this authority to negotiate smart new agreements that will break down barriers to American exports, create better jobs, and raise our standard of living. With that authority, the President can pursue free trade with Chile, a free trade area for the Americas, and new market access agreements in the Asia-Pacific. We can also work toward agreements to open up whole new sectors of the global economy in fields where our nation is highly competitive. These agreements work to our advantage because our tariffs are currently lower than those of other countries.

For example, we are preparing to negotiate a further opening in agricultural markets. Our farmers are by far the world's most productive. They help feed the world. But they do so despite tariffs on U.S. products that in some cases are as high as 100%. They also confront many non-tariff barriers. In gaining access to this $500 billion a year market, we want a level playing field for American agriculture. But to get it, we need fast track.

During the next quarter-century, the world will invest trillions of dollars, yen, marks, francs, and other currencies in the infrastructure of a modern economy. They will pour money into sectors such as energy, information systems, and environmental technology. We want to open these sectors to free and fair trade. But to do so, we need fast track.

We want to protect our intellectual property and stop the rip-off of billions of dollars worth of American products illegally copied every year. But to make that happen, we need fast track.

Latin America is a market of half a billion people. Their incomes are rising, and they buy what we sell. More than 40% of the region's imports come from the U.S. Even though Latin tariffs average four times our own, we would like to negotiate agreements that push their tariffs down and lift our exports up. But for that to happen, we need fast track.

We know that sectoral agreements benefit the United States. Last year's information technology agreement will produce an estimated $5 billion reduction in tariffs on American computers and related equipment. In Colorado, where I grew up, we would call that a tax cut. Where I live now, we would call that five billion good reasons why restoring traditional negotiating authority deserves bipartisan support.

"The President needs [fast-track] authority to negotiate smart new agreements that will break down barriers to American exports, create better jobs, and raise our standard of living. . . . Fast track is an essential and proven tool of diplomatic leadership. . . . It does not in any way detract from the constitutional authority of Congress to approve trade agreements."

As economists and businesspeople, you know that if we fail to participate in shaping the global trading system, we will, nevertheless, be shaped by it. Earth is, after all, the only globe we have, and only one out of every 20 of the world's consumers live on our share of it.

If we choose to hide behind walls rather than tear them down, our products will face higher tariffs; our services will be harder to sell; our businesses will find it more difficult to win contracts; our economy will create fewer jobs; and because we are absent from the bargaining table, we will have no success at all in promoting higher environmental and labor standards.

Whatever we decide, others will move forward. Since 1992, in Latin America and Asia alone, our competitors have negotiated more than 20 free trade pacts that exclude the United States. Some of our leading trade partners have reached agreements that will vastly expand trade among themselves. As supporters of economic integration and trade, we should be on the inside shaping these agreements, not on the outside looking in.

Fast track is an essential and proven tool of diplomatic leadership. Until it lapsed 3 years ago, it was an instrument every President for

the past two decades has had and has used to the benefit of the United States. It does not in any way detract from the constitutional authority of Congress to approve trade agreements. In fact, the legislation that has just been submitted by the Administration includes language that would make Congress a full partner in setting our trade objectives and our priorities.

What fast track does is assure our trading partners that there will be an up or down vote on any deals we strike and that those deals will not be unraveled provision by provision. Our partners argue that this is the only sensible way to conduct business, and they are right. Without fast track, America will find itself alone. With fast track, America can lead.

This matters because of the economic dividends that well-designed trade agreements generate. But fast track is about more than dollars and cents; it's a foreign policy imperative. It is indispensable to U.S. economic leadership, and that leadership is indispensable to U.S. influence around the globe.

America's prestige is not divisible. If we want our views and interests respected, we cannot sit on the sidelines with a towel over our heads while others make the trade and investment plays that will determine the economic standings of the 21st century.

In many capitals, if we have nothing to say on trade, we will find it harder to have productive discussions on other issues of direct importance to American interests. In contrast, strong economic ties can be a foundation for cooperation across the board.

In the Asia-Pacific, our efforts to expand investment and trade have helped to deepen understanding among our partners of their shared stake in security.

In Europe, economic integration is a major contributor to our strategic goal of a continent that is becoming—for the first time in history—wholly united, wholly at peace, and fully free.

In Latin America and the Caribbean, our initiatives on trade are a vital part of a larger process of cooperation that includes working together to fight narcotics trafficking, crime, pollution, illegal immigration, and other threats to the well-being of our citizens.

For decades during the Cold War, we Americans spread the gospel of competition, free trade, free enterprise, and open markets. Today, people and governments everywhere are converting to this faith. But make no mistake, they will be watching the fast-track debate closely to see whether we continue to practice what we have so long preached.

That is why, as Secretary of State, I will do everything I possibly can to persuade Members of Congress to be true to America's own philosophy, to say yes to restoring the President's traditional negotiating authority, and yes to continuing American prosperity at home and leadership abroad.

Of course, fast track and trade are not the only economic tools we use to help create an international system that is more open, democratic, and respectful of the rule of law. For example, China is seeking to enter the World Trade Organization. We are negotiating with Beijing to ensure that it does so only under commercially viable rules that would require it to end unfair trade barriers, enforce trade laws uniformly, and use WTO procedures to settle disputes.

We are using our foreign assistance program—modest as it is—to enlarge the circle of market democracies by helping newly free nations to create a better climate for investment, curb corruption, and reduce crime.

We are using our economic aid to make the benefits of lasting peace more tangible for people in the Middle East, Bosnia, and Northern Ireland.

And we are relying on you, the American business community, to help spread the word from Manila to Moscow to Maputo to Mexico City that the path so many countries have chosen—the path of openness, participation and integration—is the right path for the 21st century.

The connections we make through increased investment and trade complement our efforts to spur development and prevent conflict. As we encourage reform, expand markets, and forge new agreements, we give more and more nations an equity interest in peace. In this way, shared prosperity yields the golden dividend of shared security.

Despite this, there are many in our own country and overseas who oppose or resist the trend toward a more integrated world economy. They disregard its role as a great stabilizer in international affairs and focus instead on the fear that globalization will put downward pressure on wages and reward employers who cut corners on working conditions and environmental protection.

These are serious concerns that must be addressed seriously if we are to maintain a consensus in favor of free trade and open markets in the United States and around the world.

To do so, we must remember that opening the world economy is not an end, but a means. Our purpose is not simply to increase the volume of global commerce; it is to improve the quality of peoples' lives. The evidence is clear, however, that globalization is not lowering standards around the world; it is raising them.

Open economies are more likely to lift people out of poverty than economies that are stagnant and closed.

It is no accident that as East Asian nations have reformed their economies during the last quarter century, the percentage of their citizens who are poor has plummeted, and large, educated middle classes have emerged. This, in turn, has created new pressures for decent wages, environmental protection, and greater democracy. A similar trend is gathering steam in Latin America.

These trends will continue to spread as more nations embrace economic reform. The World Bank estimates that, during the next decade, developing countries will grow collectively at an annual rate of more than 5%—double the pace of the 1980s. Growth is expected in every region, including Africa, where the continent's best new leaders have embraced policies designed to help private enterprise take hold.

As the world's economies grow, a variety of tools will be available to shape that growth in socially constructive ways. For example, the fast-track legislation submitted by the Administration reflects the President's commitment to promote workers' rights and responsible environmental protection.

It is vital to bear in mind, however, that trade is but one very limited instrument for promoting higher environmental and labor standards. The Administration can—and is—pursuing these goals through other avenues such as the International Labor Organization, the WTO, the international banks, the Commission on Sustainable Development, and the Montreal Protocol. Also important are the initiatives that consumers and businesses can take.

Last spring, the President personally invited business, labor, and other NGOs to come together around an apparel industry initiative that will bring "no sweat" garments and footwear to America from workplaces that are monitored overseas. Similar labeling initiatives make it possible for consumers to purchase South Asian rugs and soccer balls and know that these products were not made with child labor.

It is also encouraging to see the competition that has begun in many segments of American industry for bragging rights about which company has done the most to help the environment, improve working conditions, or train employees. This competition is good for our friends overseas; it advances the goals of U.S. foreign policy; it helps us here at home; and it is a trend that consumers welcome and will reward.

The pursuit of free trade places a responsibility on the business community to conduct itself in a way that preserves the consensus for free trade. And I am certain that most Americans would agree that profits should come from inspiration and perspiration, not exploitation.

For more than half a century, the United States has played the leading role within the international system, not as sole arbiter of right and wrong—for that is a responsibility widely shared—but as pathfinder; as the nation able to show the way when others cannot.

Our predecessors had the foresight to forge alliances such as NATO, institutions such as the World Bank, and initiatives such as the Marshall Plan to defend freedom and build prosperity. They did so on a bipartisan basis.

Today, under President Clinton, we are constructing a new framework to address the challenges of our time, based on principles that will endure for all time. In so doing, we are heeding the lessons of this century that economic strength is essential to national strength; that open markets are essential to prosperity, which is a friend to security; that there can be no progress without the rule of law; and that problems abroad, if left unattended, will all-too often come home to America.

We look out upon a world no longer held back and driven apart by divisions between east and west and north and south—a world in which the benefits of the international system are open to every nation able to accept its responsibilities and willing to play by its rules. We anticipate a tomorrow not without danger or free from disappointment, but we also see an opportunity we must seize—an opportunity to create a future liberated by freedom of thought, empowered by freedom of enterprise; a future of greater promise and possibility than any generation has known.

America is not a slow-track society. Although tempted at times to rest, we cannot stand still, nor can we merely move. Like the great explorers of half a millennium ago, we must embark upon a new Age of Discovery.

We must strive not merely to stay afloat, but rather raise our sails high and catch the propelling winds of change at their fullest. And with economic and political liberty as the North Star by which we navigate, we must chart a course to the far horizon so that we may disembark in the new century free and respected, prosperous, and at peace.

Thank you very much. ■

Secretary Albright

Radio Address to the Palestinian People

September 12, 1997

Radio address to the Palestinian people, Ramallah, West Bank.

Good morning. This is the third day of my first visit to the Middle East as America's Secretary of State. I am pleased to have had the opportunity to meet with Chairman Arafat and Prime Minister Netanyahu and with students from both the Israeli and Palestinian communities.

But I also wanted—and I am grateful to the Palestinian Broadcasting Corporation for the chance—to speak directly to you, the Palestinian people, for the future of dignity, security, and peace that I have journeyed here to promote will not come simply because diplomats wish it and declarations promise it. The United States can and will help, but in the end, only you and your neighbors can create that future and make it last.

In recent years, the peoples of this region have made important strides down the road toward opportunity and peace. At Oslo, there was, for the first time, a mutual recognition that Israelis and Palestinians must live together and that you must work together on the basis of reciprocity and mutual responsibility to forge a permanent peace.

That agreement accomplished what decades of rejectionism and strife could not. More than ever before in the history of your national movement, you are able now to shape your own destiny. You have established the Palestinian Authority.

You have achieved through negotiation the withdrawal of Israeli forces from Jericho and Gaza and their redeployment in Hebron. In fulfillment of new responsibilities, last year, you held your first national elections. You chose a Legislative Council whose members have become full partners in providing leadership for the Palestinian people.

In deliberations on such matters as the Basic Law and the budget, you have shown a clear desire to establish a thriving and democratic Palestinian society. In that effort, America wants you to succeed. We have seen your enthusiasm for free expression, your perseverance in the face of adversity, and your insistence on being treated with dignity. We have felt respect and a desire to help.

- That is why the United States has long insisted that any peace agreement should recognize your legitimate political rights and aspirations.
- It is why the United States has been a leader in providing economic assistance to help you build viable democratic institutions.
- It is why we have encouraged the efforts of the World Bank, the IMF, and other international agencies to work with you to meet basic needs and to create new opportunities for your people.
- It is why we convened a process through which nations from around the world might contribute to the Palestinian Authority's success.
- Above all, it is why the heart of the message that I have brought to the region this week—a message I am conveying on behalf of President Clinton and the American people—is that for you and for your neighbors, peace is the only option for the future.

The path of conflict is fertile only in the production of sorrow and grief. For Israelis, Palestinians, and Arabs alike, it is a dry well. It offers a future only of more violence, more victims, more suffering, and more hate. That is a dark future the people of this region do not deserve, and I am convinced will not accept.

Although the road to peace can be very difficult to travel, it offers a different future—a future rich with the promise of mutual respect, increased cooperation, and dignity for all peoples.

To make that future a reality, the crisis of confidence that has arisen in the peace process must be ended. The parties must break through the paralyzing cycle of recrimination and begin

again to take pragmatic steps to move the peace process forward. And all those with a stake in peace must meet their responsibilities.

As Chairman Arafat has pledged, the Palestinian Authority must do everything within its power to prevent and punish terrorism and to deepen the irrevocable commitment made at Oslo to treat Israel not as an adversary but as a permanent partner in peace.

Israeli leaders should refrain from unilateral actions such as settlement expansion, land confiscation, and house demolition that undermine Palestinian confidence in their intentions, and they should bear in mind—even as they strive to safeguard their people's security—that no nation has a greater stake than Israel in helping Palestinians to prosper.

The United States has a responsibility, which we recognize, to support peace without trying to impose peace. And as President Clinton has made clear, we will continue to meet that responsibility by supporting a comprehensive peace based on UN Security Council Resolutions 242 and 338, including the principle of land for peace. Finally, the international community has a responsibility to contribute its full diplomatic and financial backing to the peace process.

Before closing, I want to say a word about the emphasis I have placed during my trip on the need for all parties to join in the battle against terror.

Two days ago, I had the opportunity to visit with some of the surviving victims of the recent bombings in Jerusalem. To all the victims of those attacks, Jews and Arabs alike, we owe our prayers and our commitment to seek justice. But those who were injured or killed were not the only targets of these hateful acts. The explosions were just as surely designed to destroy the Palestinian experiment in democracy and to kill hopes for peace.

The sponsors of violence fear you—the Palestinian majority—because you have a vision, and they do not. The bombers would rather see you suffer forever in isolation than succeed in living in peace with your neighbors. They want to intimidate you into silence or complicity, because your success would prove that there is an alternative to endless strife, that there is an alternative to reliance on the soul-withering and self-defeating instrument of terror.

As I said yesterday, those who commit terrorism in the name of the Palestinian cause are committing terrorism against the Palestinian cause. The deafening sirens of terror make it harder for the world to hear your urgent and just call for dignity and opportunity.

They also cause Israel to respond with closures and other restrictive measures that—whether justified on security grounds or not—make it impossible for many of you to go about your daily lives, impossible to visit relatives and friends, impossible to bring a loved one to a hospital for needed treatment, and impossible to get to your jobs and earn income to put food on the table for your families. In this way, the forces of terror simultaneously deny you your dreams for the future, while increasing your present suffering.

That is why the average Palestinian has no greater enemy than Hamas or Islamic Jihad. It is why fighting terrorism is the responsibility of both the Palestinian Authority and the Palestinian people. And it is why all should understand that the battle against terror is a pro-Palestinian and pro-Arab, as well as a pro-Israeli, cause.

"The United States has a responsibility, which we recognize, to support peace without trying to impose peace. . . .we will continue to meet that responsibility by supporting a comprehensive peace based on UN Security Council Resolutions 242 and 338, including the principle of land for peace."

The same is true of the effort to negotiate peace. That, too, is a mutual responsibility and necessity. It is not enough for either side to say it is committed to peace: Both must renew and reinforce their commitment to the Oslo agreements and to the partnership that is inherent within them; both must act in the spirit of peace; both must speak the language of peace. Both must rebut the opponents of peace; both must take into account the needs and views of the other; both must be willing to compromise; and both must contribute to an atmosphere in which the violent extremes are marginalized and the roots of trust may grow.

That will require courage and vision from leaders on both sides—and from you. For what is needed today is not just a partnership of leaders. There must also be a determination by the responsible majorities in both communities to revive, keep alive, and strengthen the momentum toward reconciliation. Such a joint determination is the extremist's worst nightmare. And it is the best hope for the dream of a true and lasting peace.

The American diplomat Ralph Bunche, who was involved in Israeli-Arab negotiations many years ago, once said:

> I have a bias against war; a bias for peace. I have a bias that leads me to believe in the essential goodness of my fellow man; which leads me to believe no problem in human relations is ever insoluble. I have a bias in favor of both Arabs and Jews in the sense that I believe that both are good, honorable and essentially peace-loving peoples and are therefore as capable of making peace as of waging war.

Those are the words with which I want to leave you, because they capture my feelings exactly. That we must still repeat them decades after they were spoken is an unhappy fact. That we still do repeat them, that they still ring true today, is a more important fact.

The United States supports the efforts of the Palestinian people to live in dignity, democracy, and prosperity. We believe it is not only necessary, but possible, to reconcile Israel's legitimate concerns about security with the legitimate political rights of the Palestinian people.

We take heart in the knowledge that the goal of a comprehensive Middle East peace is supported today by people from all spiritual traditions, from all walks of life, on every continent.

We are convinced that achieving a lasting peace is the best way to honor the sacrifices of those on all sides who have fought, sacrificed, and suffered in the past. And we have faith that, despite recent setbacks, the peoples of this region will choose peace, know peace, and live in peace in years to come.

Toward that shared goal, the United States pledges its continued best efforts and help.

Shukran. And God bless you. ■

Secretary Albright

For the Middle East, Peace Is the Only Answer

September 11, 1997

Address at the Israel Academy of Arts and Science, Jerusalem.

Thank you very much Maya. Thank you very much for that introduction. Mr. Minister, Mr. Mayor, Mr. Ambassador, Bob Asher: It's a pleasure to be with you this afternoon. Let me say that I'm very pleased that there's an audience here, because as a former professor, if somebody were 20 minutes late, you could walk out. So, I'm very appreciative that you hung around.

I am delighted to be here in Israel, and I want to thank everyone who has made me feel so welcome. And I want to greet all of you who are here from NGOs and from the business and academic community. I am especially grateful to Bob Asher for this invitation to speak to the students of this renowned academy. As I was telling the Prime Minister where I was going, he said: "Oh, yes, the waiting list for that place is 100 years long. You are, indeed, in a very renowned place." For the young people here represent the future of this country, and it is Israel's future and that of her neighbors that have brought me to the Middle East this week.

It is hard for my daughters to believe, so it may be hard for you to believe, but I, too, was young once. And some of the most vivid and dramatic experiences of my life came early—during and after the Second World War.

I still remember clearly sitting in a bomb shelter during the Nazi siege of London. I remember events leading to the communist takeover of Czechoslovakia, my native land. I remember the opening years of the United Nations, where my father had a diplomatic assignment working on the crisis in Kashmir. And I remember having a sense that something truly great had happened when, on the day before I turned 11 years old, the modern state of Israel was born.

That milestone in history—that miraculous birth—is the product of a marriage between unbearable sacrifice and unbreakable faith. And since that spring almost 50 years ago, the motivating dream of an independent Israel, prosperous and secure, has moved steadily closer to reality.

From around the world, people of talent and character have come to contribute their energy to your economy, their knowledge to your culture, and their valor to your defense. Out of the desert, the families of Israel have brought forth a nation of productive farms, skilled labor, and vigorous enterprise.

And I can tell by looking at your faces—and by knowing the reputation of excellence of this academy—that each of you will make your own contributions to your country and to our world. To the United States, Israel is a trusted and valued friend. Our peoples are bound together by shared values. We are both nations of immigrants, both nations determined to fulfill the uplifting dreams of our founders, and both nations of ideas driven, above all, by the idea of freedom.

These ties provide a firm foundation for alliance. Israel remains America's strategic partner. America's commitment to Israel's security is and will always be rock solid. If there is any doubt, let me dispel it now. America and Israel will stand side by side, shoulder to shoulder today, next year, through the next century, and for as long as the sun shall rise.

The depth of that commitment has been reinforced for me already during this trip. Yesterday, as soon as I arrived, I had a chance to visit some of those injured in the explosions last week. I saw there Jews and Arabs—some greatly harmed—being cared for by Jewish and Arab doctors and nurses, and I thought: If these two peoples can hurt and heal together, surely they can also live together.

Later, I visited the Children's Memorial in Yad Vashem. There could be no experience more humbling. My heart was full. My thoughts and prayers were with the millions of

men and women, girls and boys memorialized there—some of them from my family, many, I know, from yours.

My prayers were also for the more recent victims of the violence: for those who died in the bombings this year and last year and the year before that and in the shootings in the mosque and for all those who have had their lives cut short by this cycle of senseless slaughter.

I am not a pollster. I can't tell you what you think or what the person sitting next to you thinks or what the person who is very much like you in age and aspiration but who lives in Ramallah thinks. Clearly, there are those who have never believed in the possibilities of reconciliation and others who have never doubted them. But I suspect many of you are somewhere in between—wanting peace but unsure whether a secure peace is possible.

". . . the quest for peace has not been destroyed by terrorist attacks, assassins' bullets, or the insults of those who can only define what they are for in terms of whom they are against. Like the burning bush, the desire for peace is never consumed."

For many, your expectations may have been on a rollercoaster in recent years as moments of joy have been succeeded by tragedy. I have no magic cure for your uncertainty, which is grounded in the realities of the moment. But I can tell you that, at Yad Vashem yesterday, along with my prayers, I felt a determination. It was the same determination that the world saw in you when Israelis returned to the Ben Yehuda mall last Friday. We must not let the terrorists win. We must not let them destroy the possibility of peace.

For make no mistake: Those who went to Mahane Yehuda and Ben Yehuda to kill innocent people wanted, by so doing, to kill the peace. And if, in our anguish and anger, we allow the peace process to collapse, we will have allowed them to accomplish their objectives. We must never let that happen.

We must strive to create a future that is decent as resolutely as we attack those who would drag us back into the dark past. At the same time as we fight terror, we must pursue peace. These are the lessons of history. These are lessons we must act on with unwavering courage if you, the children of Israel, are to know true security. And these are lessons the United States is committed to helping Israel and all the people of this region implement by saying "no" to terror, "no" to murder, "yes" to life and "yes" to peace.

Another lesson I learned early in life is that the decisions made by leaders matter. The choice before World War II to place expediency above principle at Munich helped smooth Hitler's conquests in Europe. The choice after World War II to create NATO and defend freedom halted Stalin's advance and ultimately brought down the Berlin Wall.

Today, I cannot help but think of how the world in which your generation will come of age is being shaped by decisions and choices being made now. This is true broadly on such issues as the global environment and world trade. And it is true more specifically on the issue of whether Israelis, Palestinians, and Arabs will come together in peace.

This is not a choice the United States or any outsider can make. It is a choice for your leaders and for you and for those with whom you share this region.

President Clinton believes, and I believe, that despite the recent tragedies, reconciliation is possible. We are convinced that a solid majority of Israelis, Palestinians, and Arabs urgently desire the peace they have always deserved but long been denied. Parents, teachers, laborers, and professionals from all faiths and of all backgrounds do not and will not accept the stark alternative of endless violence and countless victims with no security and no peace. That is why the quest for peace has not been destroyed by terrorist attacks, assassins' bullets, or the insults of those who can only define what they are for in terms of whom they are against.

Like the burning bush, the desire for peace is never consumed. And while the path of conflict and confrontation has spawned only more hate and deeper grief, the road toward peace has provided tangible benefits. Look how far you have already come.

For decades, Israel was isolated within this region. The peace process has changed that. In your parents' and grandparents' day, thousands of Israelis died in conflicts with Egypt and Jordan. And thousands of Egyptians and Jordanians died fighting with you. Today, the three countries are at peace, with stable borders, and no more talk of war.

Last year, at Sharm-el-Sheik, the leaders of 29 nations, including 13 Arab states, came together—seeing Israel as a partner, not an enemy—and joined it in denouncing and vowing to defeat terror. The secondary and tertiary economic boycotts of Israel have weakened, thereby opening Israel to the world's products and Israel's products to the world.

And the framework of cooperation established at Madrid created the vision of a Middle East characterized by secure and stable borders; energized by the free movement of goods, capital, and tourists; and bolstered by effective joint action on tough issues such as water, the environment, and refugees.

Unfortunately, the momentum toward fulfillment of this vision has stalled. A crisis of confidence has evolved between Israelis and Palestinians which has, in turn, created a crisis of confidence between Israel and the Arab world.

This crisis was neither inevitable nor accidental. It has been caused by the failure of both sides to live up to their full obligations as partners in peace. As I have said several times in recent days, this failure was not symmetrical, but it was mutual. And mutual actions will be required if mutual confidence is to be restored.

That requires, above all, renewed understanding and acceptance of the fundamental reality recognized at Oslo: that the Israeli and Palestinian peoples are neighbors—not temporarily, but permanently—and that, in such a small land, it is vital that neighbors treat each other with respect.

Each day, Israelis and Palestinians make choices that contribute to the character of their shared neighborhood, making it more tense and dangerous or more prosperous and peaceful not for one or the other, but for both. The fallacy pushed by extremists is that one community's gain is another's loss. That is not true here.

As I am emphasizing in my meetings with Prime Minister Netanyahu and Chairman Arafat, there will be no security for either people unless there is security for both; no peace for either unless there is peace for both. And there will be no trust unless a spirit of reciprocity guides the approach to peace and its responsibilities.

I am making clear, as American administrations have in the past, that the role of the United States is not to impose peace. Peace must emerge from compromise shaped and agreed to by both sides. It is, after all, you who must live with any commitments made, and it is your communities and your futures that are at stake.

However, as President Clinton has promised: The United States can and will do all it can to minimize the risks of peace and to support those who seek peace. Our record on this is beyond question.

- We have used diplomacy, backed by force, to contain Iraq.
- We have led in opposing Iran's sponsorship of terror and its efforts to acquire weapons of mass destruction that could threaten Israelis and Arabs alike.
- We have insisted on UN sanctions against Libya.
- We have backed our ironclad commitment to Israel's security with generous military and economic aid. At the same time, we have provided tangible support to Arab states and to the Palestinians who have joined Israel as partners in peace.

We have taken these steps not only because we view it as our obligation to help achieve reconciliation between Israel and her neighbors; we have acted—and will continue to act—because the United States has a strategic interest in Middle East peace. That is why President Clinton sent me here to explore the possibilities for ending the current cycle of recrimination and getting the peace process back on track. And that is why, in my speech in Washington last month, I sought to lay out some basic principles required to move the negotiating process forward.

". . . the role of the United States is not to impose peace. Peace must emerge from compromise shaped and agreed to by both sides. It is, after all, you who must live with any commitments made, and it is your communities and your futures that are at stake."

The first and most important is security. Security must be seen not simply as a goal to be achieved once the journey to a final peace has been completed. There must be security every step of the way. This is basic. Security cooperation is the glue essential to partnership between Israel and the Palestinians. And it is vital for progress in the negotiations.

The terrorist strategy is to drive decent people within both the Israeli and Palestinian populations to conclude that peace is not possible. Our strategy must be to unite the decent people in both and demonstrate to the terrorists that their strategy will never succeed.

That requires leadership from both parties. But it requires, in particular, that the Palestinian Authority display an unceasing red light to terrorists. Against suicide bombers, there can be no guarantee of 100% success, but there must be 100% effort to deter, prevent, and punish terrorist acts.

In recent days, the Palestinian Authority has taken some welcome steps. But I must emphasize that fighting terror is not a part-time

job. Fighting terror is not something you do only when it is convenient. Fighting terror is a 24-hours-a-day, 365-days-a-year responsibility. And for any partner in peace, fighting terror is a sacred obligation.

Fulfilling that obligation means identifying and seizing terrorist weapons and supplies. It means arresting and prosecuting those involved in planning, financing, supplying, or abetting terrorism. It means sharing information and coordinating law enforcement actions. And it means getting out the message over and over again that those who commit terrorism in the name of the Palestinian cause are committing terrorism against the Palestinian cause.

The ear-splitting sirens of terror make it harder to hear the urgent and just call by Palestinians for the life of dignity and opportunity they deserve. And terrorist acts cause your government to respond with closures and other restrictive measures.

In this way, the forces of terror simultaneously deny Palestinians their future dream while increasing their present suffering. That is why the average Palestinian has no greater enemy than Hamas or the Islamic Jihad.

Defeating terror is paramount, but if mutual confidence is to be restored, both sides must also renew and reinforce their commitment to the Oslo process. There can be no backing off from Oslo commitments or from the principle of reciprocity that is inherent in them.

This means that Israel should refrain from unilateral acts, including what Palestinians perceive as the provocative expansion of settlements, land confiscations, home demolitions, and confiscation of IDs. Such actions appear designed to prejudge the outcome of negotiations, and they undermine Palestinian confidence in Israeli intentions.

This is especially important at a time when the parties are considering the idea of complementing the implementation of the Oslo Interim Agreement with an accelerated approach to permanent status negotiations. We believe that a "time-out" from these kinds of unilateral actions will create a climate in which such an accelerated approach can succeed in achieving a final Israeli-Palestinian peace agreement.

While safeguarding her security, Israel should also do all she can to avoid harming the economic well-being of the Palestinian people—bearing in mind that no nation has a greater interest than Israel in making tangible for Palestinians the benefits of peace.

For their part, the Palestinians must also be clear about their intentions. The language of jihad must cease. The education of their people, whether in the schoolroom or the broadcast studio, must reflect a commitment to peace, not a call to confrontation. And Palestinian leaders must make clear that Oslo does not represent merely another phase in their struggle with Israel; it must be the end of their struggle with Israel.

It is not enough for either side to say it is committed to peace. Both must act in the spirit of peace. And both must contribute to an atmosphere in which the violent extremes are marginalized and the roots of trust may grow.

Finally, both parties must demonstrate their understanding of peace not as one option among many, but as the only option that will provide for the security and well-being of their people. It was this mutual and irreversible recognition that made Israel and the Palestinians partners in pursuing peace. And it is the logic of this partnership that has made it possible to overcome past obstacles to peace.

Partnership imposes a mutual responsibility to work together, to take each others' views into account, to allow each other's legitimate aspirations to influence behavior, and to seek actively to expand areas of common ground. Israelis and Palestinians each have needs that the other must recognize. They have substantive differences each must strive to narrow. And in extremist violence, they face a common enemy, which they must join forces to defeat.

There is no obstacle to a Middle East peace that the parties cannot together overcome. Every respected power in the world wants to see Israel and the Palestinians devise arrangements that will enable both to live in security and peace. And the United States firmly believes that an outcome that meets the needs of both is achievable if obligations are met and essential compromises made.

President Clinton has given his solemn commitment that America will continue to support the parties as they work to inject new life into the peace process. We will also continue to call upon the Arab states, and the international community generally, to give peace their strong diplomatic and financial backing.

There are those in the region who complain bitterly that the United States is pro-Israel. They are right. That is why we believe so strongly that the possibilities of peace must be tested. That is a pro-Israeli position. But it is also a pro-Palestinian and a pro-Arab position.

According to the Scriptures, there is a time and a season for everything under heaven. This is a season of testing—true testing—of leaders and of peoples. A time for true cooperation on security, for a true commitment to partnership, for a true recognition of the reality that Israelis and Palestinians must—for the sake of your children and of your children's children—live together as neighbors.

Some argue that people of different backgrounds cannot live together in peace. The United States, whose citizens include virtually every race, creed, culture, and ethnicity on earth, is living testimony to the contrary proposition. So, with its immensely diverse population, is Israel. So is this academy.

Among the students here are Jews and Arabs, religious and secular, urban and rural, immigrant and native-born—not to mention female and male.

In studying here, you are not expected to alter your beliefs or conform to a single manner of thinking. You are learning—even while taking pride in your own customs—to value the qualities and contributions of others. You are encouraged to open your minds to new information and different ideas. And you are becoming part of a new community bound together not by a shared past, but by a shared determination to shape the future.

Eleanor Roosevelt said once that "within all of us there are two sides. One reaches for the stars, the other descends to the level of beasts." That is not only a statement of fact; it is a presentation of choice.

We can value the differences of culture and creed that divide us without ignoring the common humanity that binds us. We can strive to ensure our own security without depriving others of their dignity or their rights. We can debate vigorously the policies we oppose, without wandering into the wilderness of violence and hate. And we can think of death camps and terrorist bombs and fall into despair, or we can think of them and vow never to rest in our opposition to intolerance, and never to allow terrorists to crush the possibilities of peace or extinguish our hope.

This academy—in its commitment to diversity and knowledge—affirms the more hopeful side of human nature—the side that moved the family of Abraham to begin its fabled journey westward almost 4,000 years ago; the side of human nature that Moses appealed to and Jesus spoke to, that Theodore Herzel counted on, and Anne Frank never lost faith in; the side that President Sadat referred to when he told the Knesset that "there is no happiness based on the detriment of others"; and the side that Prime Minister Rabin was probing for when he said to the Palestinians, "enough of blood and tears, enough."

As it prepares to begin its second half-century, modern Israel stands as a monument to the unquenchable human conviction that, ultimately, hope will conquer fear and human decency will outlast human evil. That core conviction is the foundation of Israel's strength and the source of its unshatterable bond with the American people.

We know that courage is required to make peace—and to fight the enemies of peace. But if ever there were a people of courage, it is you. If ever a country deserved to live in peace, it is Israel. And if ever a land deserved to be free at last from bloodshed and war, it is this land—sacred to all the children of Abraham, where the core identity of Moslems, Christians, and Jews were each formed; a land that is home to the memories and host to the dreams of the world.

Know that in the quest to bring this land forever into the sunlight of security and peace, you will always have the American people by your side.

Thank you very much. ■

Secretary Albright

Finding the Path to Peace In the Middle East

August 6, 1997

Statement at the National Press Club, Washington, DC (introductory remarks deleted).

Members of the National Press Club, distinguished guests, colleagues and friends: Good afternoon. It is gratifying that, with President Clinton's leadership, we have made progress during the six months I have served as Secretary of State in a number of areas of importance to the security, prosperity, and values of the American people.

The United States has become party to the Chemical Weapons Convention. NATO has invited three of central Europe's new democracies to join and has forged historic partnerships with Russia and Ukraine. Congress has approved an increase in funding for international affairs and devised a plan to spur United Nations reform while paying back arrears. We are moving ahead on implementing Dayton and backing the War Crimes Tribunal. We have renewed normal trade relations with China while being forthright about our concerns on proliferation and our support for human rights.

We have forged new guidelines for our security cooperation with Japan; made progress toward four-party talks on Korea; strengthened our working relationships with Mexico, Central America, and the Caribbean; and unveiled a plan to increase trade and investment in Africa. Overall, this has been a remarkable period.

Unfortunately, progress achieved between Israelis and Palestinians in the Middle East, an area vital to our interests, is now threatened. Today, I would like to discuss the reasons why progress toward peace in this region has stalled and offer some suggestions for restoring positive momentum.

The urgency of that goal was underlined one week ago, when bombs exploded in the Mahane Yehuda market in Jerusalem, killing 13 Israelis—one of whom was also an American citizen—and wounding 168. Behind those numbers are the faces of mothers, fathers, grandparents, and children killed not for anything they had done, but simply for who and where they were. Sadly and tragically, the Israeli people—almost 50 years into the history of their state—are still the targets of a murderous campaign of terror. No people should have to live this way.

At the same time, it says something very good and very right about the Israeli people: that they will never grow used to such events. They will never fail to respond with outrage and grief, never fail to mourn the individual lives that have been cut short, never cease to comfort the families, never cease to demand an end to terrorist attacks, and never give in to them.

It also says something hopeful about the future of the Middle East that, as we speak, 162 Arab, Israeli, and Palestinian teenagers are in a summer camp in the woods of Maine—a camp sponsored by the Seeds of Peace program—and that this tragic bombing has brought those young people closer together in shock, sorrow, and determination to end the cycle of violence in their region.

Americans share each of these feelings and reactions. Our thoughts are with those who knew and loved the persons killed or injured last week. We stand by Israel in its fight against terror. We maintain our unshakable commitment to Israeli security. And we join governments and peoples from every part of the globe who have condemned last week's savage attack.

Our convictions are clear. Terrorism is evil. It can never be justified. It is the instrument of cowards. It kills the innocent not by accident, but by design. And its design in the Middle East is to murder the peace process by shredding security and destroying the hope for peace.

We do not yet know the identities of the bombers at Mahane Yehuda. But we can be sure this crime was not a random event. Terrorists

often strike when they believe the parties are poised to make progress. It may be more than coincidence that this latest attack occurred shortly after the announcement that negotiations of the interim committees set up by the Hebron agreement would resume, and on the eve of an American effort to share ideas on how to break the current impasse.

We have come too far in the process of Arab-Israeli peacemaking to allow the vultures of violence to shape the region's future. The stakes are too high, past sacrifices have been too great, and the people of the region have been burdened for too long by bloodshed and strife.

We must respond to those who have declared war on peace by waging war on terror—understanding that forging peace and fighting terrorism are not separate struggles, but rather two halves of the same struggle. We cannot succeed in one if we do not prevail in both. The path ahead is difficult, but so was the journey already made.

Over the years, the quest for peace in the Middle East has suffered multiple shocks, setbacks, and traumas. We have watched in horror as buses and markets have been bombed, schoolchildren attacked, great leaders such as President Sadat and Prime Minister Rabin assassinated, and innocent people gunned down even while in a house of worship.

Nevertheless, in Madrid, Oslo, Washington, Cairo, and in the Arava, we have seen historic enemies come together, speaking the language of peace. We have seen ties between Arabs and Israelis expand and a process of regional cooperation begin to tackle tough issues such as water, the environment, and refugees. We have seen a series of economic summits bring Arab and Israeli business people together to lay the groundwork for increased trade, investment, and prosperity.

We have seen extensive progress toward ending the secondary and tertiary boycotts of Israel, thereby opening Israel's products to the world and the world's products to Israel. We have seen substantive negotiations aimed at a comprehensive settlement between Israel and all its Arab neighbors. And we have seen many nations that are outside the region but affected by it—nations such as Russia, Norway, Japan, and members of the EU—lend their diplomatic, political, and financial support to peace. We must ask ourselves why this process has survived all the traumas and how it has endured despite bitterness, sorrow, suffering, and anger.

The answer is that the vast majority of the people of the region—Israelis, Arabs, and Palestinians—have come to believe that the status quo is unacceptable, that the costs of conflict are too high, and that the effort to achieve peace holds at least the promise of a better future. They understand that without peace, their societies will remain shackled by the preoccupations of the past; their region will fall further behind in the global marketplace; and their children will grow up in an environment of uncertainty, danger, and fear.

The popular desire for peace is durable, resilient, and strong. This is what extremists and terrorists fear most. And this is why, despite the bombing this past week, and despite threats of further violence, the process of peacemaking has survived and will continue to survive.

When the Israelis and Palestinians came together in Oslo in 1993, the effort to achieve peace entered a new phase. The parties agreed for the first time on mutual recognition. And they agreed on a roadmap for transforming what had been an irresolvable confrontation based on clashing ideologies and violence into a solvable political negotiation based on shared interests. The leaders were able to agree to this because the Israeli and Palestinian people understood the need to recognize and deal with one another directly and to accept each other's political identity.

Now that the threshold of mutual recognition has been crossed, there can be no going back to mutual rejection, no going back to mutual denial. Neither party can return to an earlier time. By agreeing to accept one another as partners, the Israelis and Palestinians took an irreversible step toward ending their conflict.

The question today is not whether the Israelis and Palestinians will reach a mutually acceptable agreement, but when. This question of time is an important one. With our help, Israelis and Palestinians can move steadily toward a better future, or they can remain bogged down in mutual suspicion and recriminations. The longer decisions are postponed, the more conflict and suffering will ensue.

Prime Minister Netanyahu said recently that leading Israel was like a "bed of roses," but with a "lot of thorns." I suspect that Chairman Arafat might describe his job in a similar way.

One cannot talk fairly about the Middle East without recognizing the difficulty of the challenges the leaders face. But one cannot talk accurately about the region without recognizing how important peace is to both the Israeli and Palestinian people, and without acknowledging that they have made the choice for peace. It is important in each society that the center work hard to make its influence felt over that of the extremes. And it is vital that the message be conveyed that it is no longer acceptable to avoid the tough choices required to move forward the quest for peace.

Unfortunately, in recent months, since the promising agreement over Hebron, progress has stalled. We now face a crisis of confidence that has put at risk past gains, rekindled old animosities, and left Israelis and Palestinians alike fearful about what the future may bring.

In order to break the current deadlock, Israelis and Palestinians must return to basic principles. These principles do not focus on the substance of negotiations, which the parties must resolve between themselves at the bargaining table, but rather on the even more fundamental question of how the parties should approach negotiations in order to create the best possible environment for success.

"Israelis and Palestinians must unite to defeat terrorism, which is their common enemy. They must unite to end violence, apprehend perpetrators, and create an environment in which it is possible for all not simply to survive, but to thrive; to go about the business of building secure and productive lives."

What are these principles?

First, the *sine qua non* for progress is a mutual commitment to security and against violence. This is basic. This is common sense. There is no place in the peace process for violence or terror, and there is no room for using security cooperation as leverage in a negotiation. That approach destroys confidence, fuels extremism, and undermines prospects for peace.

In recent months, many Israelis have come to believe that the Palestinian Authority is not taking seriously its vow to combat terror, that Palestinian words are not followed by action, and that the words, themselves, are not consistent or clear. They are concerned that violence in the streets may be orchestrated. And they wonder whether the Palestinian Authority is doing all it can to prevent incitement to violence and terrorist attacks. They fear that violence is being given a green light, or a yellow light, or a blinking light—when what is called for in Oslo and what is essential for peace is an unceasing red.

We do not ask the impossible. With suicide terrorists, there can be no perfect system for guaranteeing security. We cannot expect 100% success. But there must be 100% effort both with regard to unilateral Palestinian Authority measures against terror and in Israeli-Palestinian security cooperation. What does this mean? Specifically it means sharing information and coordinating law-enforcement actions. It means an unrelenting effort to detect and deter potential terrorist acts.

It means identifying and seizing arms caches, such as the one raided successfully by Palestinian police in Beit Sahour two weeks ago. It means arresting and prosecuting those involved in planning, financing, supplying, or abetting terrorism. And it means doing everything possible to create a moral atmosphere in which advocacy of violence and terror withers away. The terrorists are unrelenting, and so must we be unrelenting in our struggle against them.

On this issue, there can be no winks, no double standards, no double meanings and with respect to the imprisonment of terrorists, no revolving doors. Nor can the level of security cooperation ebb and flow with the ups and downs of negotiation. The Palestinian commitment to fight terror must be constant and absolute. This is essential to move the peace process forward. It is necessary, obviously, to create a climate of greater security and confidence within Israel. But it is also essential to Palestinians. Extremist violence is a grave threat to Palestinian society. Palestinians are sometimes the direct targets of this violence. And they are the ones who suffer economic and humanitarian hardships when Israel clamps down on access.

While Israelis have too often been the victims of terror, it is fair to say that attacks by Islamic Jihad and Hamas have made ordinary Palestinians pay a terrible price not only in their day to day well-being, but also in their long-range hopes and possibilities. Israelis and Palestinians must unite to defeat terrorism, which is their common enemy. They must unite to end violence, apprehend perpetrators, and create an environment in which it is possible for all not simply to survive, but to thrive; to go about the business of building secure and productive lives. This is the first principle of Oslo, and it is the cornerstone of an enduring peace.

The **second** principle is that both sides agreed to settle their differences over the subjects of negotiation at the bargaining table, and not somewhere else. It is in the interests of each party to avoid steps that undermine the other's confidence and trust in the process. In practice, this means foregoing unilateral acts which prejudge or predetermine issues reserved for permanent status negotiations.

Let me be clear: There is no moral equivalency between suicide bombers and bulldozers; between killing innocent people and building houses. It is simply not possible to address

political issues seriously in a climate of intimidation and terror. But the principle of refraining from unhelpful unilateral acts is central to maintaining mutual confidence, especially as we look ahead to permanent status negotiations. It is essential that the parties think through how their actions will affect the environment for those negotiations.

Palestinians argue that Israel has taken some actions in recent months that prejudge issues reserved for permanent status negotiations. These include settlement activity, construction at Har Homa, and the confiscation of land. These actions have generated uncertainty among many Palestinians about Israeli intentions, undermined for them the very logic of negotiations, and caused a crisis of confidence in their Israeli partner. It is fair to ask: How can you create a credible environment for negotiation when actions are being taken that seem to predetermine the outcome?

To restore confidence, both sides must think seriously and in advance about the potential impact of what they do and say. They must do more than ask whether an action is technically legal. They must ask whether it is wise, whether it is consistent with the spirit of their partnership, and whether it brings them closer to the goals of their agreements.

The **third** rule of the road for the negotiating process is that both parties must demonstrate, in word and deed, their understanding of peace not as one option among many, but as the only option that will provide for the security and well-being of their people. It was this mutual recognition that made Israel and the Palestinian partners in pursuing peace. And it is the logic of this partnership that has made it possible to overcome past obstacles and setbacks, as demonstrated by the Hebron agreement earlier this year.

Both Israeli and Palestinian leaders have been consistent in stating their commitment to peace. But the success of the negotiating process requires more. They must reaffirm their commitment to partnership and to working together to solve problems. They must reiterate their understanding that the future of their two people is not a zero-sum game in which one party will win and the other will lose; or in which one will get up from the bargaining table with an advantage over the other. If two people are in a boat heading for the rapids, they should not be arguing about how they got there; they should be rowing together in the direction of security and shore.

Israelis and Palestinians will continue to have substantive differences in their negotiations, especially given the issues of permanent status that are yet to be addressed. The depth of these differences makes it all the more vital that the parties search for ways to rebuild mutual confidence and restore the momentum toward peace. A spirit of partnership must motivate each side. And a recognition of their partner's legitimate needs must influence behavior. Indeed, the new mindset must be that there is no problem so big that we cannot resolve it together.

As Israelis and Palestinians move to reenergize their negotiations, it is imperative that the international community do its share to support this effort and to recognize that prosperity is a parent to peace. Every nation with an interest in the region—especially Israel—has a stake in the social and economic progress of the Palestinian Authority and should contribute appropriately to it. And Arab states have a responsibility to build peace through a normalization of relations throughout their region. Dialogue, business contracts, and personal contacts should take the place of boycotts and hostility. This is the logic of the Middle East Economic Summit planned for Doha this November. Countries in the region will only hurt the peace process and their own economic future if they fail to attend that summit. In this regard, I salute King Hussein of Jordan both for his direct contributions to the peace process and for the effort he has made to persuade Arabs and Israelis alike of the economic and political benefits of peace.

For decades, the United States has been deeply engaged in the pursuit of a comprehensive Middle East peace. President Clinton—like his predecessors—has considered this to be a top priority and has worked hard to support the efforts of the parties to reach that goal. Over the years, U.S. policy toward the Arab-Israeli peace process has been based on key elements which have underlined our approach. These core elements remain valid today. Let me reaffirm them.

We seek a just and lasting peace achieved through direct negotiations, based on UN Security Council Resolutions 242 and 338, including the principle upon which every Arab-Israeli agreement has been built—land for peace. We believe that peace must be accompanied by real security for Israel and its Arab neighbors both from external threats and from terror. We believe peace must be just, lasting, comprehensive, leading to treaties based on normal relations and genuine peace between people, including between Israel and Syria and Israel and Lebanon. And we believe that peace must address the legitimate political rights of the Palestinian people. Principles, however, cannot produce agreements; the hard work of

negotiation does. And the United States has tried, through a variety of ways, to promote that process.

We have worked at times to insulate and protect negotiations. We have moved to defuse crises both on the Israeli-Palestinian and Israeli-Lebanon fronts. We have marshaled economic and political support. And, as was the case during the Israeli-Syrian talks at the Wye Plantation and during the Hebron negotiations, we have at times even gone beyond the traditional role of facilitator and played the role of mediator. At the same time, the United States is not a party to the Arab-Israeli conflict. We do not assume the same risks and responsibilities as parties struggling with the issues of political identity and physical survival.

"Let there be no doubt: The United States will continue to do all it can to promote peace between Israelis and Palestinians throughout the Middle East. We will do so because progress toward peace serves our vital interests, helps protect our friends, reflects our values, and because it is right."

As a consequence, we cannot, should not, and will not impose solutions. Nor can we create the political will required for Arabs and Israelis to make the tough decisions for peace. These are their decisions, not ours. But given our indispensable role and the trust and confidence we have gained, we do have a responsibility during good times and bad to work with them in the pursuit of peace. Indeed, they want us to play this role. And we will continue to do so.

In the past several months, as the negotiations floundered, and Israeli-Palestinian recriminations intensified, we sought in several ways to put the process back on track. Working closely with President Mubarak of Egypt, our strategic partner in peace, we tried to define a basis on which the parties could reengage. We promoted direct contacts to restore a practical working relationship between Israelis and Palestinians.

We focused on parallel steps each side could take to address the concerns of the other. We built on these contacts to renew discussions on the interim agreement issues and were developing ideas to overcome the differences that had prevented the permanent status talks from convening.

Indeed, on the eve of the July 30 attack in Jerusalem, the President and I felt it was time to send Dennis Ross to the region to convey U.S. ideas. That trip will now go forward at the end of this week. The primary focus of Ambassador Ross' visit will be to deal with the security dimension of the current crisis. If the right kinds of steps are being taken to improve the security environment, we will have a basis for going forward—as we must—with consideration of political issues, beginning with the need to restore trust and make progress toward fulfilling the terms of the interim agreement.

We must also, however, prepare to do more. The Israeli-Palestinian crisis of confidence has cost the peace process six months. Suspicions and mistrust are running high. The logic of Oslo, based on mutual recognition, is sound, but the incremental approach of the interim agreement needs to be married to an accelerated approach to permanent status.

To restore momentum, we have to increase confidence on both sides about where the negotiating process is leading and what the outcome of permanent status talks might be. If the parties have a clear, mutual, and favorable sense of the ultimate direction of negotiation, it will be easier for them to overcome setbacks and avoid distractions along the way. This will require accelerating permanent status negotiations.

Today, this step is urgent and important. Accordingly, provided there is some progress on security issues, I am prepared to travel to the Middle East at the end of this month. I will consult closely with the leaders of the region—and especially with Israeli and Palestinian leaders—to improve the climate for negotiations, and to discuss the procedural and substantive aspects of the permanent status issues.

Reenergizing the Israeli-Palestinian peace process will not happen overnight; it will take time. But President Clinton and I remain committed to doing everything possible to help the parties to succeed. We will continue to play our role as a full partner.

In this partnership, only the parties must make the decisions, but we can support them. In this partnership, only the parties must conduct the negotiations, but we can be with them at the table. In this partnership, only the parties must determine the shape of peace, but we can work with them to facilitate, protect and broaden that peace.

Let there be no doubt: The United States will continue to do all it can to promote peace between Israelis and Palestinians throughout the Middle East. We will do so because

progress toward peace serves our vital interests, helps protect our friends, reflects our values, and because it is right.

No region of the world has seen greater suffering or more persistent conflict than the Middle East. No generation has a better chance than the current one to replace the downward cycle of conflict with an upward ladder of opportunity.

As we approach the new century, there are no Cold War divisions fueling regional rivalry. And the way to peace—once obscure—has been laid out first at Madrid, then more clearly at Oslo, and in the agreements since. So now the choice for Israelis and Palestinians alike is between two futures. They can shy from the risks of peace and ensure a future of more uncertainty, hardship, and fighting; or they can come together to renew their partnership and fulfill the promise of peace.

For Israelis, that is the promise of a bustling economy with Pacific Rim potential. It is assurance of a common front in the fight against terror, a steady growth in regional cooperation, and the ability to raise children in security and peace.

For Palestinians, it is the promise of an end to decades of strife. It is the chance, as full participants in a growing regional economy, to use their energy and skills to create a future for themselves of steadily increasing prosperity, dignity, and hope.

And for all the people of the region, it is the promise, as President Clinton has said, of building a land that is as bountiful and peaceful as it is holy, and of offering to Israelis and Palestinians alike the quiet miracle of a normal life. The United States cannot choose this future for Israel or for the Palestinians. That is their choice and their challenge. We do not underestimate the difficulties. We are cognizant of the dangers. But America was built on optimism and on the faith that the future can be made better than the past, not only within our own borders but within all the borders of the earth. It is in that spirit, and with that faith, that we ask of ourselves and of our partners a renewed and determined effort to transform from hope to reality the elusive dream of a Middle East peace.

Thank you very much. ■

Deputy Secretary Talbott

The End of the Beginning: The Emergence of a New Russia

September 19, 1997

Address at Stanford University, Stanford, California.

Thanks, Chris [Warren Christopher], to you, to Bill Perry, and to David Hamburg for the chance to return to Stanford, where I spent quite a bit of time in the late 1960s and early 1970s. In those days I had an academic pretext for hanging around this campus—something to do with multiarchival research on early 20th-century Russian history at the Hoover Institution. But that was a cover story. My real mission was to court a Stanford undergraduate. I'm courting her still, and she's here with me today, looking at me somewhat askance and hoping I'll get on with this speech.

I also want to thank Chris and Bill for the chance to work at their sides for four years. That work was far-ranging, fascinating, and often—I can admit this because I'm among friends—fun. Among the most important of the many enterprises on which we worked was the one that you are discussing at this conference: the design and construction of a new security architecture in Europe—one that recognizes and encourages the full and vigorous participation of a new and reforming Russia.

It is about Russia that I would like to speak to you this evening. I believe Russia is at a turning point. Let me explain that assertion by doing something that I've heard Bill Perry do on any number of occasions—by quoting Winston Churchill. In November 1942, just after the British victory over General Rommel in North Africa, Churchill said, "Now is not the end. It is perhaps not even the beginning of the end. But it is perhaps the end of the beginning."

Churchill was saying that the Battle of El Alamein was a hopeful moment. But he was also warning that the war would go on for a long time. He was exhorting a combination of confidence, patience, and fortitude.

The parallel I'm suggesting is this: Like Britain in 1942, Russia in 1997 is still in the throes of a titanic struggle. We Americans have a huge stake in how that struggle turns out. Our goal, like that of many Russians, is to see Russia become a normal, modern state—democratic in its governance, abiding by its own constitution and by its own laws, market-oriented and prosperous in its economic development, at peace with itself and with the rest of the world. That, in a nutshell, is what we mean—and more to the point, what many Russians mean—by the word reform.

The forces complicating, impeding, and often opposing Russian reform include various demons of Russian history. We all know the litany of experiences from Russia's past that cast a shadow over its future: subjugation for nearly three centuries to the Golden Horde from the East, followed by four centuries of imperialist expansion combined with vulnerability to invasion from the West. Internally, Russia long ago adopted an autocratic order. Along the way, it missed the advent of the modern nation-state in the 16th century, the Enlightenment in the 18th, and the Industrial Revolution of the 19th. Those blank spots prefigured the tragedy of the 20th. The Bolshevik coup d'etat plunged the old Russia into misery, brutality, isolation, and confrontation with the outside world.

Against that background, the new Russia faces a particularly difficult set of challenges. Like every country on Earth, Russia wants to be strong and secure. But how should it define strength and security? I'll rephrase the question using Joe Nye's terminology: What is the optimum mixture of hard power and soft power appropriate to today's world?

All states face some version of this issue. But for Russia—as Churchill might put it—the political quandary is wrapped in an existential dilemma. It is an issue not just of what Russia wants to do, but of what Russia wants to be. It's a matter of how Russia will define statehood itself. Will it be in terms of Russia's specialness and separateness? Or will it be in terms of those heritages and interests it has in common with the rest of the world, particularly with Europe and the West?

The Russians themselves often call this "the question of questions." They have been grappling with it for a very long time—for hundreds of years. The search for an answer was underway during the Middle Ages in the rivalry between the absolutism and isolation of Muscovy on the one hand and, on the other, the openness and trading culture of Novgorod. In the 19th century, the issue was at the core of the schism between the Slavophiles and the Westernizers. Then along came Lenin and Stalin. With their claim of championing an internationalist ideology, they forcibly suppressed expressions of ethnic and national identity. In their place arose the idea that Ukrainians, Kazaks, Armenians, Karelians, Chukchis, and 100 other nationalities were evolving into a new species—homo sovieticus. By Brezhnev's time, this notion was the object of much lip-service—but of much more muffled ridicule. Soviet man was everywhere on posters and pedestals, but nowhere in real life. That myth died an unmourned death with the Soviet Union itself.

Now that Russia is again Russia rather than the metropole of an empire or the headquarters of a global movement, the old debate rages anew. What is Russia? The 19th- and early 20th-century literary and philosophical combatants—Chadaayev, Solovyev, Berdyayev—are back in fashion, their works selling briskly in the bookstores along the Arbat and Kuznetsky Most. Last year, Rossiskaya Gazeta ran an essay contest to see who could come up with the best statement of "the Russian national idea." President Yeltsin has established a blue-ribbon commission on the same subject. It's hard to sit for long at a kitchen table with friends in Moscow or St. Petersburg without someone agonizing aloud about where Russia belongs and where it is headed. Needless to say, there's more than a little intellectual wind in these debates, but how they play out in Russian politics—and in Russian policy, especially foreign policy—does matter to us.

We are not neutral bystanders. There is no doubt where our own national interest lies: Quite simply, we want to see the ascendancy of Russia's reformers, those who look outward and forward rather than inward and backward for the signposts of national revival. A Russia that reflects their aspirations is likely to be part of the solution to the world's many problems. Conversely, a Russia that erects barriers against what it sees as a hostile world and that believes the best defense is a good offense—such a Russia could be, in the 21st century just as it was in much of the 20th, one of the biggest of the problems we and our children will face.

There is nothing preordained about the outcome of this clash of alternative futures. But there is reason for hope that the latter-day Westernizers will prevail over the latter-day Slavophiles. Let me explain why.

During most of the first term of the Clinton Administration, we were witnessing what might be called the beginning of the beginning; that is, the first phase of Russia's rebirth and its self-liberation from Soviet communism. That phase is now drawing to a close. It has been a period of opportunity as well as of uncertainty and even danger. I suspect I speak for Chris, Bill, Chip [Blacker], Ash [Carter], Liz [Sherwood], and other veterans of the first term who are here this evening when I say that all of us came to work more than once with the bracing sense that everything in Russia was up for grabs—that Russia itself was teetering on the brink of regression or chaos.

"We are not neutral bystanders. There is no doubt where our own national interest lies. . . . we want to see the ascendancy of Russia's reformers, those who look outward and forward rather than inward and backward for the signposts of national revival."

That danger has not disappeared altogether, but it has diminished, and—like Britain after El Alamein—Russia may have turned the tide; it may be on the brink of a breakthrough. It has happened with a constellation of several events, of which I'd like to single out four.

First, in domestic politics, there was the presidential election 14 months ago. With Boris Yeltsin's victory over Gennady Zyuganov, the communist electoral tide began to recede from its high-water mark.

Second, in the economy, after 5 years of virtual free fall, Russia's gross domestic product seems finally, in 1997, to be stabilizing and may be registering a real upturn. That achievement, combined with the government's success in slaying the beast of hyperinflation, means that Russia can focus more on taking advantage of its immense human and natural resources to build a world-class market economy.

Third, in relations between Moscow and the regions, the bellwether event was the pact signed May 12 that ended the war in Chechnya. For all the ambiguity in the terms of that agreement and for all the suspense over its implementation, it represented a recognition, however belated, that the federation cannot and should not be held together by brute force; a

recognition that tanks, artillery, and bombers are not legitimate or, in the final analysis, efficacious instruments of governance.

And **fourth,** in relations with the West, there was the signing of the NATO-Russia Founding Act in May, which I look forward to discussing with many of you in tomorrow morning's session of this conference.

While none of these developments is decisive, each is significant in its own right. Moreover, there is a synergy among them—the whole is more than the sum of its parts. Together they may mark a takeoff point in post-Soviet Russia's evolution as a modern state.

"The key word here—the key concept—is integration. It is crucial to our foreign policy, in general. . . . Integration is also key to our policy toward Russia in particular, since Russia's attainment of its most worthy aspirations will depend in large measure on its ability and willingness to integrate. . . ."

This is not to say that Russian reform has scored a knockout blow against crime; corruption, the uglier manifestation of nationalism and the other forces arrayed against it; or that the Russian economy is home free; or that old Soviet attitudes and habits are gone forever. But it is to say that Russians today can be more confident than a year ago that their country will make it—not just as a safe, secure, unitary state, but as a law-based, democratic society, increasingly integrated with the growing community of states that are similarly constituted and similarly oriented.

The key word here—the key concept—is integration. It is crucial to our foreign policy, in general, since it captures the imperative of working with other states to revitalize and, where necessary, create mutually reinforcing international organizations and arrangements to ensure peace and prosperity in an increasingly interdependent world. Integration is also key to our policy toward Russia in particular, since Russia's attainment of its most worthy aspirations will depend in large measure on its ability and willingness to integrate—that is, to participate in, contribute to, and benefit from the phenomenon of globalization.

The initial signs are auspicious. The new Russia has already gone a long way toward repudiating the old Soviet Union's delusions that autarky and self-isolation are even options for a modern state. Russia today plays an active role in organizations of which it was a founding member, such as the UN and the OSCE. It is also knocking at the door of those from which it has been excluded. Over the past two years, it has become a member of the ASEAN Regional Forum and the Council of Europe, agreed to join the Paris Club, and it has strengthened its ties to the European Union.

We are not just letting this happen—we are helping make it happen. We are doing what we can to ensure that the international community is as open as possible to Russia. That's why we pushed in Denver for the expansion of the G-7 agenda to become the Summit of the Eight. That's also why, in Helsinki, President Clinton and President Yeltsin set a joint goal to work toward Russian accession in 1998 to the World Trade Organization and to launch a dialogue in Paris that will accelerate Russia's admission to the OECD.

Then there's the Asia-Pacific Economic Cooperation forum. When Secretary Albright and the other APEC ministers meet in November in Vancouver, they will be setting the criteria for new members, and we will support Russia's admission to APEC as it meets those standards.

Let me here offer a general proposition. Russia's membership—even its aspiration for membership—in these bodies is welcome in and of itself, since all of them enshrine the premise that the modern state should be part of an international order that is based on certain common principles. One of the most fundamental of those principles is that there are limits to the role and writ of the state, particularly with regard to its resort to force, both in its internal regime and in its external behavior. Since that is a principle that runs very much against the grain of Russian tradition, under Czars and commissars alike, it is one that we would like to see the new Russia associate itself with in every way possible.

However, integration is not an end in itself; it is a means to an end. Now that Russia is an eager joiner, the issue remains what kind of member is Russia going to be? How will it fit in? Will it play by the rules?

There is still a lot of skepticism on this point that resonates in our national debate about Russia and U.S. policy. Many experts and commentators start from a presumption of guilt about Russia's strategic intentions. They nurture a suspicion that Russians are predisposed genetically, or at least historically, to aggression and imperialism.

I believe that's the wrong way to think about the issue. The right way is the one Ian Buruma articulated in his book, *The Wages of Guilt*. He was writing about two other great nations—Germany and Japan—whose peoples were, not so long ago, feared, and hated, as inherently militaristic. "There are," said Buruma, "no dangerous peoples; there are only dangerous situations, which are the result, not of laws of nature or history, or of national character, but of political arrangements."

Our purpose in working with Russia should be to fashion the right political arrangements; in other words, to weave beneficial relationships and devise incentives that will encourage Russia to continue its democratic progress and that will yield material benefits to the Russian people.

The idea that the North Atlantic Treaty Organization (NATO) can be part of that larger structure and that larger strategy is, to put it mildly, not self-evident to all Americans, including, I'm sure, some of you who are participating in this conference. And it is certainly not self-evident to all Russians.

Part of the problem here is perceptions—old perceptions. Stereotypes evaporate slowly. Just as many of our own experts and commentators cling to Cold War prejudices about Russians and what makes them tick, so many Russians have fixed in their minds a Cold War image of NATO. I'm convinced that this disagreement is manageable. Indeed, we now have a mechanism for managing it.

One week from today, Secretary Albright and her 15 alliance colleagues will sit down at the UN with Yevgeny Primakov for the first ministerial meeting of the NATO-Russia Permanent Joint Council. This new institution has real promise. It can help ensure that Europe is never again divided and that a democratic Russia plays its rightful role in that new Europe.

But in order to live up to its potential, the Permanent Joint Council must be more than a talk shop. It must identify new ways and places for NATO and Russia to work together in maintaining peace, combating common threats, and dismantling the vestiges of the Cold War, especially the lingering fears and suspicions that exist on both sides of the old Iron Curtain—and on both sides of the new international boundaries that used to be the internal; that is, inter-republic borders of the U.S.S.R.

That brings me to the most salient issue of Russian foreign policy for Russians and the rest of the world alike, which is how Russia relates to those new independent states that were until only 6 years ago part of the Soviet Union and, as such, subject to Russia's domination. In this regard, too, there have recently been some developments that are favorable and encouraging—though by no means conclusive.

One was President Yeltsin's landmark visit to Kiev in May, which put Russia's relations with Ukraine on a more equitable and predictable footing. Another is the way that Russia is now attempting to end the decade-old war in Nagorno-Karabakh. This year, Russia has joined diplomatic forces with the United States and France under the aegis of the OSCE. This willingness on Russia's part to internationalize rather than attempting to monopolize the management of security along its periphery augurs well for the chances of equitable settlements to other conflicts in Moldova, Georgia, and Tajikistan.

Let me say a few words about the Baltics, which represent an especially acute challenge. In our analysis, we need to bear in mind—and in our diplomacy, we need to balance—two factors. One is the Balts' anxieties about Russian motivations and their legitimate desire to join Western institutions, including the European Union and NATO. The other factor is Russia's fear and loathing at the prospect of the Balts' fulfilling those aspirations.

Quite bluntly, Russians need to get over their neuralgia on this subject: They need to stop looking at the Baltic region as a pathway for foreign armies or as a buffer zone, not just because such "oldthink" offends and menaces the Balts but because it doesn't make sense, since there are no would-be aggressors to be rebuffed.

In the final analysis, Russia will have to make that adjustment itself, by its own lights and for its own reasons. But we and our European partners can help. One way is to make the idea of commercial, political, environmental, and other forms of collaboration among the states along the littoral of the Baltic Sea a centerpiece of our own activity there—and an important part of our dialogue with Russia as an important regional power.

Our message to Moscow here is this: If you Russians insist on looking to the 13th century for models applicable to the 21st, then you should dwell less on the image of Alexander Nevsky defeating the Swedish knights on the ice and think instead in what might be called "Hanseatic" terms; that is, think about the Baltics not as an invasion route inward, but as a gateway outward.

This is a version of what Peter the Great, the patron figure of the Westernizers, had in mind when he opened Russia's window to the West nearly 300 years ago. In fact, St. Petersburg is an obvious candidate for participation in a revival of the Hanseatic concept.

So, too, might be Novgorod and Kaliningrad, the former Konigsberg, both of which were associated with the original Hanseatic League. In fact, Kaliningrad is an especially tantalizing case, at least historically. Those of us who labor in the thickets of CFE—the Conventional Forces in Europe talks—tend to think of Kaliningrad as the headquarters of the Russian 11th Guards Army with its 850 tanks and 100 combat aircraft. But it is also one corner of what is now Russia that did experience the Enlightenment. It's where Immanuel Kant lived, taught, and set forth several principles of international law intended to bind like-minded republics into a community of "civil states" that could enjoy what he called "perpetual peace."

That said, we all recognize how far this theory is from reality in that neighborhood. Few places on earth have seen as little peace of any kind as Russia and its environs. But here again, I reiterate: There is reason for optimism. In addition to the ones I've already mentioned, I'd like, in conclusion, to add one more. It's generational—or, to be even more blunt, biological. The dynamic of what is happening in Russia today is not just Westernizers versus Slavophiles; it is also young versus old—and the young have a certain advantage in at least that dimension of the larger struggle between the old and the new.

Let me illustrate the point this way: Nearly four years ago, in a televised town meeting at Ostankino television station, President Clinton put a question to the Russian people—and to the Russian leadership—his own version of the question of questions:

> How will you define your role as a great power?

he asked.

> Will you define it in yesterday's terms, or tomorrow's?" Russia,

he said,

> has "a chance to show that a great power can promote patriotism without expansionism; that a great power can promote national pride without national prejudice . . . I believe the measure of your greatness in the future will be whether Russia, the big neighbor, can be the good neighbor.

Chris and I were both there when the President delivered that message, and we were both struck that his very youthful audience—an audience representing Russia's future—burst into applause. They not only thought the President was asking the right question; they clearly liked his proposed answer.

Perhaps the single-most significant and hopeful statistic I've seen is this: Although 65% of those Russians over the age of 65 think things got worse over the last year, 60% of those under 35 think things got better. So among the positive trends underway in Russia is perhaps the most basic one of all, the one represented by the actuarial tables.

Hence, to the extent possible, our policy toward Russia should be geared toward the younger citizens of Russia who will decide who they are, where they belong, how they relate to Europe and to the outside world. The essence of our policy, in short, is: give them time—give them time to consolidate the reforms that constitute the good news of the past few years; give them time to beat back the forces that have generated the bad news; give them time to work out their identity and destiny in ways that will not only best serve a modern Russia's real interests but that will also be, to the greatest extent possible, compatible with our interests as well.

In other words, we need to make sure we have a policy toward Russia that contains an indispensable feature: strategic patience. That means a policy not just for coping with the issue or the crisis of the moment or the week or even of the season, or for getting through the next summit meeting; rather, it means a policy for the next century—which, by the way, begins in 2 years, 3 months, 11 days, and 4 hours.

So the timing of this conference could not be better. Nor could the agenda be more germane and the participants more appropriate. Thank you again, Chris, Bill, and David, for helping our nation grapple with what is, for us, also a question of questions—how to understand and deal with Russia—and for helping make sure that we come up with the right answer of answers. ■

TREATY ACTIONS

AUGUST 1997

MULTILATERAL

Defense
Memorandum of understanding concerning multilateral exchange of military information, with appendix. Signed at Washington, London, Ottawa, Canberra, and Wellington Nov. 19, 1996, Jan. 8, Mar. 10 and 26, and Apr. 18, 1997. Entered into force Apr. 18, 1997.

Memorandum of agreement among the United States, Denmark, the Netherlands, and Norway concerning the Joint Strike Fighter (JSF) requirements validation project, with annex. Signed at Kjeller and Arlington June 10 and 11, 1997. Entered into force June 11, 1997.

International Vaccine Institute
Agreement on the establishment of the International Vaccine Institute. Opened for signature at New York Oct. 28, 1996. Entered into force May 29, 1997.[1]

BILATERAL

Algeria
Consular convention. Signed at Washington Jan. 12, 1989. Entered into force July 30, 1997.

Brunei
Air transport agreement, with annexes. Signed at Washington June 20, 1997. Entered into force June 20, 1997.

Chile
Agreement regarding air transport services. Effected by exchange of notes at Santiago Mar. 12 and 13, 1997. Entered into force Mar. 13, 1997; effective Dec. 1, 1996.

China
Agreement regarding the maintenance of the U.S. consulate general in the Hong Kong Special Administrative Region. Signed at Beijing Mar. 25, 1997. Entered into force July 1, 1997.

Haiti
International express mail agreement, with detailed regulations. Signed at Port au Prince and Washington Jan. 22 and Mar. 13, 1997. Entered into force July 1, 1997.

Indonesia
Agreement extending the agreement of Jan. 15, 1992 for cooperation in scientific research and technological development. Effected by exchange of notes at Jakarta July 3, 1997. Entered into force July 3, 1997; effective July 10, 1997.

Agreement amending the strategic objective grant agreement of Aug. 29, 1996, for natural resources management, with attachments. Signed May 7, 1997. Entered into force May 7, 1997.

Italy
Agreement relating to the employment of dependents of diplomatic agents, consular personnel, and administrative and technical staff. Effected by exchange of notes at Rome June 9, 1997. Enters into force upon receipt of final notification that all formalities by the resepective countries' institutions have been fulfilled.

Japan
Agreement amending the memorandum of understanding of Oct. 20, 1995, for joint development of the Tropical Rainfall Measuring Mission, with memorandum of understanding. Effected by exchange of notes at Washington May 30, 1997. Entered into force May 30, 1997.

Agreement regarding mutual assistance between customs administrations, with exchange of notes. Signed at Washington June 17, 1997. Entered into force June 17, 1997.

Kenya
Agreement for cooperation in the Global Learning and Observations to Benefit the Environment (GLOBE) Program. Signed at Nairobi June 9, 1997. Entered into force June 9, 1997.

Malaysia
Air transport agreement, with annexes, between the United States and Malaysia. Signed at San Francisco June 21, 1997. Entered into force June 21, 1997.

Peru
Program agreement concerning the sale, reduction, and cancellation of certain loans. Signed at Lima June 26, 1997. Enters into force

upon receipt by Peru of written notice from the United States that all necessary domestic legal requirements for entry into force have been fulfilled.

Philippines
Agreement amending the strategic objective grant agreement of Sept. 30, 1996 for the global change mitigation program, with attachment. Signed June 19, 1997. Entered into force June 19, 1997.

Slovenia
Agreement on the protection and preservation of certain cultural properties. Signed at Washington May 8, 1996. Entered into force June 23, 1997.

Sweden
Agreement for technology research and development projects, with annex. Signed at Washington and Stockholm Mar. 10 and Apr. 22, 1997. Entered into force Apr. 22, 1997.

Vietnam
Agreement on the establishment of copyright relations. Signed at Hanoi June 27, 1997. Enters into force upon the exchange of written instruments indicating each party's ability to undertake the obligations therein.

SEPTEMBER 1997

MULTILATERAL

Pollution
1995 amendments to the Annex of the Protocol of 1978 relating to the international convention for the prevention of pollution from ships, 1973. Adopted at London Sept. 14, 1995. Entered into force July 1, 1997.

Property
Trademark law treaty and regulations. Done at Geneva Oct. 27, 1994. Entered into force Aug. 1, 1996.[1]

BILATERAL

Canada
Protocol amending the convention with respect to taxes on income and on capital of Sept. 26, 1980, as amended. Signed at Ottawa July 29, 1997. Enters into force upon exchange of instruments of ratification.

Ethiopia
Agreement regarding the status of U.S. military personnel and civilian employees of the Department of Defense present in Ethiopia. Effected by exchange of notes at Addis Ababa Feb. 28 and Apr. 2, 1997. Entered into force Apr. 2, 1997.

European Community
Agreement on precursors and chemical substances frequently used in the illicit manufacture of narcotic drugs or psychotropic substances, with annexes and exchange of letters. Signed at The Hague May 28, 1997. Entered into force July 1, 1997.

Hungary
Agreement concerning the activities of United States Forces in the territory of the Republic of Hungary. Signed at Budapest May 14, 1997. Entered into force June 23, 1997.

Ireland
Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital gains, with protocol and related agreement. Signed at Dublin July 28, 1997.

Lithuania
Agreement extending the agreement of Nov. 12, 1992 (TIAS 12139) as extended, concerning fisheries off the coasts of the United States. Effected by exchange of notes at Vilnius June 5 and Oct. 15, 1996. Entered into force July 14, 1997; effective from Dec. 31, 1996.

Mauritius
Agreement relating to the employment of dependents of official government employees. Effected by exchange of notes at Port Louis Mar. 17 and June 13, 1997. Entered into force June 13, 1997.

Mexico
Memorandum of understanding on cooperation in forestry and natural resources. Signed at Mexico May 5, 1997. Entered into force May 5, 1997.

Agreement amending the agreement of Nov. 27, 1990 for the establishment of the U.S.-Mexico commission for educational and cultural exchange, as amended. Effected by exchange of notes at Mexico May 5, 1997. Entered into force May 5, 1997.

Mozambique
Agreement regarding the consolidation, reduction, and rescheduling of certain debts owed to, guaranteed by, or insured by the United States

Government and its agency, with annexes. Signed at Maputo Aug. 13, 1997. Enters into force following signature and receipt by Mozambique of written notice from the U.S. that all necessary domestic legal requirements have been fulfilled.

Peru
Agreement for cooperation in the Global Learning and Observations to Benefit the Environment (GLOBE) Program, with appendices. Signed at Lima July 10, 1997. Entered into force July 10, 1997.

Philippines
Amendment No. 3 to the strategic objective grant agreement for the governance and local democracy project. Signed at Manila June 23, 1997. Entered into force June 23, 1997.

Ukraine
Agreement to treat the agreement of June 19, 1995, among the states parties to the North Atlantic Treaty and other states participating in the Partnership for Peace regarding the status of their forces as binding between the United States and Ukraine. Effected by exchange of notes at Kiev June 19 and 25, 1997. Entered into force June 25, 1997.

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[1] Not in force for the U.S. ■